ROYAL BANK OF CANADA
Form 424B2
September 18, 2018

September 2018
MSELN-350-C
Registration Statement No. 333-227001
PRICING SUPPLEMENT
Dated September 12, 2018
Filed Pursuant to Rule 424(b)(2)

STRUCTURED INVESTMENTS
Opportunities in International Equities
$6,655,000 Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of the S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index
Principal at Risk Securities

Contingent Income Issuer Callable Securities do not guarantee the payment of interest or the repayment of principal. Instead, the securities offer the opportunity for investors to earn a contingent quarterly payment equal to 2.1875% of the stated principal amount (8.75% per annum), but only with respect to each quarterly observation period if the closing level of each underlying index on every scheduled trading day during that period is greater than or equal to 80% of the initial index level (the "coupon threshold level"). In addition, beginning with the contingent payment date occurring in December 2018, the securities may be called at our option for an amount per security equal to the principal amount plus the contingent quarterly payment (if payable). However, if the securities are not called, the payment at maturity due on the securities will be the stated principal amount only if the final index level of each underlying index is greater than or equal to 75% of the initial index level (the "downside threshold level"). Investors will be exposed to the decline in the closing level of the worst performing underlying index, as compared to its initial index level, on a 1 to 1 basis if the final index level of any underlying index is below its downside threshold level on the final valuation date. Under these circumstances, the payment at maturity will be less than 75% of the stated principal amount and could be zero. Moreover, if the closing level of any underlying index on any scheduled trading day during an observation period is less than 80% of its initial index level, you will not receive any contingent quarterly payment for that period. As a result, investors must be willing to accept the risk of not receiving any contingent quarterly payment and also the risk of receiving payment at maturity that is significantly less than the stated principal amount of the securities and could be zero. Investors could lose their entire initial investment in the securities. Investors will not participate in any appreciation of any underlying index. The securities are our senior unsecured obligations, issued as part of our Series H Senior Global Medium-Term Notes program. All payments on the securities are subject to our credit risk.

FINAL TERMS

Issuer:	Royal Bank of Canada
Underlying indices:	S&P 500® Index ("SPX"), the Russell 2000® Index ("RTY") and the EURO STOXX 50® Index ("SX5E")
Aggregate principal amount:	$6,655,000
Stated principal amount:	$1,000 per security
Pricing date:	September 14, 2018
Issue date:	September 19, 2018
Final valuation date:	September 16, 2019
Maturity date:	September 19, 2019
Early redemption:	Beginning on the contingent payment date occurring in December 2018, we may call the securities at our option by sending notice at least three business days preceding that contingent payment date (an "early redemption notice date").

Early redemption payment:	The early redemption payment will be an amount equal to (i) the stated principal amount plus (ii) the contingent quarterly payment with respect to the related observation period, if payable.
Contingent quarterly payment:	· If the closing level of each underlying index on every scheduled trading day during the relevant observation period is greater than or equal to its coupon threshold level, we will pay a contingent quarterly payment of $21.875 (2.1875%) of the stated principal amount) per security on the related contingent payment date. · If the closing level of any underlying index on any scheduled trading day during the relevant observation period is less than its coupon threshold level, no contingent quarterly payment will be made with respect to that observation period. It is possible that one or more underlying indices will remain below their respective coupon threshold levels on at least one scheduled trading day during most or all of the observation periods so that you will receive few or no contingent quarterly payments during the term of the securities.
Observation periods:	Each observation period will be a period of approximately 3 months, as set forth in the following table:

Observation Period Start	Observation Period End
September 14, 2018	December 14, 2018
December 17, 2018	March 14, 2019
March 15, 2019	June 14, 2019
June 17, 2019	September 16, 2019

Contingent payment dates:	The 19th of March, June, September and December, beginning on December 19, 2018 and ending on the maturity date.	
Payment at maturity:	· If the final index level of each underlying index is greater than or equal to its downside threshold level:	(i) the stated principal amount plus (ii) the contingent quarterly payment with respect to the final observation period, if payable
	· If the final index level of any underlying index is less than its downside threshold level:	stated principal amount x performance factor of the worst performing underlying index
Coupon threshold level:	2,323.98 with respect to the SPX, 1,377.375 with respect to the RTY and 2,675.70 with respect to the SX5E, each of which is equal to 80% of its initial index level (rounded to two decimal places with respect to the SPX and the SX5E, and rounded to three decimal places with respect to the RTY)	
Downside threshold level:	2,178.74 with respect to the SPX, 1,291.289 with respect to the RTY and 2,508.47 with respect to the SX5E, each of which is equal to 75% of its initial index level (rounded to two decimal places with respect to the SPX and the SX5E, and rounded to three decimal places with respect to the RTY)	
Initial index level:	2,904.98 with respect to the SPX, 1,721.719 with respect to the RTY and 3,344.63 with respect to the SX5E, each of which was its closing level on the pricing date	
Final index level:	As to each underlying index, its closing level on the final valuation date	
Performance factor:		

	As to each underlying index, a fraction, determined as follows: final index level/initial index level
Worst performing index:	The underlying index with the lowest performance factor.
CUSIP/ISIN:	78013XG28 / US78013XG280
Listing:	The securities will not be listed on any securities exchange.
Agent:	RBC Capital Markets, LLC ("RBCCM"). See "Supplemental information regarding plan of distribution; conflicts of interest."

Commissions and issue price	Price to public	Agent's commissions	Proceeds to issuer
Per security	$1,000.00	$10.00(1) $5.00(2)	$985.00
Total	$6,655,000.00	$66,550.00 $33,275.00	$6,555,175.00

(1) RBCCM, acting as agent for Royal Bank of Canada, will receive a fee of $15 per $1,000 stated principal amount and will pay to Morgan Stanley Wealth Management ("MSWM") a fixed sales commission of $10 for each security that MSWM sells. See "Supplemental information regarding plan of distribution; conflicts of interest."

(2) Of the amount per $1,000 stated principal amount received by RBCCM, acting as agent for Royal Bank of Canada, RBCCM will pay MSWM a structuring fee of $5 for each security.

The initial estimated value of the securities as of the date of this document is $982.02 per $1,000 in principal amount, which is less than the price to public. The actual value of the securities at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount.

The securities involve risks not associated with an investment in ordinary debt securities. See "Risk Factors" beginning on page 8.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying prospectus supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation (the "FDIC") or any other Canadian or U.S. government agency or instrumentality. The securities are not subject to conversion into our common shares under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act.

You should read this document together with the related prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see "Additional Information About the Securities" at the end of this document.

Prospectus Supplement dated September 7, 2018
Prospectus dated September 7, 2018

Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index
Investment Summary

The Contingent Income Issuer Callable Securities due September 19, 2019, which we refer to as the securities, provide an opportunity for investors to earn a contingent quarterly payment at an annual rate of 8.75% (2.1875% per quarter) of the stated principal amount, but only if the closing level of each underlying index on every scheduled trading day during the relevant observation period is greater than or equal to 80% of its initial index level, which we refer to as the coupon threshold level. If payable, the contingent quarterly payment will be paid on the contingent payment date or the maturity date, as applicable. It is possible that one or more underlying indices could remain below their respective coupon threshold levels on at least one scheduled trading day during most or all of the observation periods, so that you may receive few or no contingent quarterly payments during the term of the securities.

Beginning with the contingent payment date occurring in December 2018, the securities may be redeemed at our option at an early redemption notice date, for the principal amount plus the contingent quarterly payment, if any, for the related observation period. An early redemption will be at our option and will not automatically occur based on the performance of any underlying index. It is more likely that we will redeem the securities when it would be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the closing level of each underlying index is at or above its coupon threshold level, which would otherwise potentially result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities at a time when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns. On the other hand, we will be less likely to exercise our redemption right when the closing level of any underlying index is below its coupon threshold level and/or when the final index level for any underlying index is expected to be below its downside threshold level, such that you will receive no contingent quarterly payments and/or that you will suffer a significant loss on your investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive few or no contingent quarterly payments and suffer a significant loss at maturity.

If the securities have not been previously redeemed and the final index level of each underlying index is greater than or equal to its downside threshold level, the payment at maturity will be the stated principal amount and, if payable, the final contingent quarterly payment. However, if the securities have not been previously redeemed and the final index level of any underlying index is less than its downside threshold level, you will be exposed to the decline in the closing level of the worst performing underlying index, as compared to its initial index level, on a 1 to 1 basis and will receive a payment at maturity that is less than 75% of the stated principal amount of the securities and could be zero. Investors in the securities must be willing to accept the risk of losing their entire principal and also the risk of not receiving any contingent quarterly payments. In addition, investors will not participate in any appreciation of any of the underlying indices.

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Scenario Analysis

If the securities are not redeemed prior to maturity, the payment at maturity will vary depending on the final index level of the worst performing underlying index, as follows:

Scenario 1	On every scheduled trading day during the observation periods, the closing level for each underlying index is greater than or equal to its coupon threshold level. We choose not to redeem the securities prior to maturity. § For each of the observation periods, investors will receive the contingent quarterly payment. § The payment due at maturity will be (i) the stated principal amount and (ii) the final contingent quarterly payment. § Investors will not participate in any appreciation of the underlying indices from their respective initial index levels.
Scenario 2	On every scheduled trading day during the first 2 observation periods, the closing level for each underlying index is greater than or equal to its coupon threshold level. On any scheduled trading day during the final 2 observation periods, the closing level for at least one underlying index is less than its coupon threshold level. On the final valuation date, the closing level of at least one underlying index is less than its downside threshold level. We choose not to redeem the securities prior to maturity. § For each of the first 2 observation periods, investors will receive the contingent quarterly payment. For the final 2 observation periods, investors do not receive the contingent quarterly payment. § The payment due at maturity will be (i) the stated principal amount multiplied by (ii) the performance factor of the worst performing underlying index. No final contingent quarterly payment will be paid at maturity in this scenario. § Investors will not participate in any appreciation of the underlying indices from their respective initial index levels. § Investors will lose a significant portion, and may lose all, of their principal in this scenario.
Scenario 3	On any scheduled trading day during the first 2 observation periods, the closing level for at least one underlying index is less than its coupon threshold level. On every scheduled trading day during the 3rd observation period, the closing level for each underlying index is greater than or equal to its coupon threshold level. We choose to redeem the securities on the 3rd early redemption notice date. § For the first 2 observation periods, investors will not receive the contingent quarterly payment. § The early redemption payment will be (i) the stated principal amount and (ii) the contingent quarterly payment for the 3rd observation period. § Investors will not participate in any appreciation of the underlying indices from their respective initial index levels.

Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index
How the Securities Work
The following diagrams illustrate the potential outcomes for the securities depending on (1) the closing level for each underlying index on every scheduled trading day during the relevant observation period and (2) if the securities are redeemed early, at our option no any early redemption notice date.
Diagram #1: Contingent Quarterly Payments

Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index
Diagram #2: Payment at Maturity if No Early Redemption Occurs

Contingent Income Issuer Callable Securities due September 19, 2019
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The below examples are based on the following terms:

Hypothetical Initial Index Level:	With respect to each underlying index, 100.00
Hypothetical Downside Threshold Level:	With respect to each underlying index, 75.00, which is 75% of its hypothetical initial index level
Hypothetical Coupon Threshold Level:	With respect to each underlying index, 80.00, which is 80% of its hypothetical initial index level
Hypothetical Contingent Quarterly Payment:	8.75% per annum (corresponding to $21.875 (or 2.1875%) per quarter per security)[1]
Stated Principal Amount:	$1,000 per security

[1] The actual contingent quarterly payment will be an amount determined by the calculation agent based on the number of days in the applicable payment period, calculated on a 30/360 day count basis. The hypothetical contingent quarterly payment of $21.875 is used in these examples for ease of analysis.

How to determine whether a contingent quarterly payment is payable with respect to an observation period:

Early Redemption Example

	Lowest Index Closing Value on any Scheduled Trading Day During the Applicable Observation Period			
Hypothetical Observation Periods	SPX	RTY	SX5E	Contingent Quarterly Payment
#1	90.00 (at or above its coupon threshold level)	85.00 (at or above its coupon threshold level)	105.00 (at or above its coupon threshold level)	$21.875
#2	55.00 (below its coupon threshold level)	100.00 (at or above its coupon threshold level)	90.00 (at or above its coupon threshold level)	N/A
#3	90.00 (at or above its coupon threshold level)	85.00 (at or above its coupon threshold level)	105.00 (at or above its coupon threshold level)	$21.875

§ In Early Redemption Example, on each scheduled trading day during the hypothetical observation period #1, each of the underlying indices closes at or above its coupon threshold level. Therefore, a contingent quarterly payment is made on the relevant contingent payment date for the hypothetical observation period #1. On at least one scheduled trading day during each of the hypothetical observation period #2 at least one underlying index closes at or above its coupon threshold level, but one or more other underlying indices closes below its coupon threshold level. Therefore, no contingent quarterly payment is made on the relevant contingent payment date. The securities are redeemed at our option on the 3rd early redemption notice date. Since the closing level of each underlying index is greater than or equal to its coupon threshold level on every scheduled trading day during the hypothetical observation period #3, you would receive the early redemption payment, calculated as follows:

stated principal amount + contingent quarterly payment	= $1,000 + $21.875
	= $1,021.875

In this example, the early redemption feature limits the term of your investment to approximately 9 months, and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will not receive any additional contingent quarterly payments.

Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index
How to calculate the payment at maturity (if the securities have not been redeemed):

	Index Closing Value on the Valuation Date (Final Index Level)			
Example	SPX	RTY	SX5E	Payment at Maturity
#1	115.00 (at or above its downside threshold level)	105.00 (at or above its downside threshold level)	105.00 (at or above its downside threshold level)	$1,000*
#2	105.00 (at or above its downside threshold level)	50.00 (below its downside threshold level)	90.00 (at or above its downside threshold level)	$1,000 × the worst performing index performance factor = $1,000 × (50.00 / 100.00) = $500.00
#3	90.00 (at or above its downside threshold level)	60.00 (below its downside threshold level)	105.00 (at or above its downside threshold level)	$1,000 × (60.00 / 100.00) = $600.00

*In addition, the final contingent quarterly payment will be payable if the closing level of each underlying index is at or above its coupon threshold level on every scheduled trading day during the final observation period.

§ In Example #1, the final index level of each of the underlying indices is at or above its downside threshold level. Therefore, investors receive at maturity the stated principal amount of the securities and, if the closing level of each underlying index on every scheduled trading day is at or above its coupon threshold level during the final observation period, the contingent quarterly payment with respect to such period. Investors will not participate in any appreciation of any underlying index.

§ In Examples #2 and #3, the final index level of one or more underlying indices is at or above its downside threshold level, but the final index level of one or more of the other underlying indices is below its downside threshold level. Therefore, investors are exposed to the downside performance of the worst performing underlying index at maturity and receive at maturity an amount equal to the stated principal amount multiplied by the worst performing index performance factor.

If the final index level of any underlying index is below its downside threshold level, you will be exposed to the downside performance of the worst performing underlying index at maturity, and your payment at maturity will be less than 75% of the stated principal amount and could be zero.

Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index
Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying prospectus supplement and prospectus. You should also consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

§ The securities do not guarantee the return of any principal. The terms of the securities differ from those of ordinary debt securities in that the securities do not guarantee the payment of regular interest or the return of any of the principal amount at maturity. Instead, if the securities have not been redeemed prior to maturity and if the final index level of any underlying index is less than its downside threshold level, you will be exposed to the decline in the closing level of the worst performing underlying index, as compared to its initial index level, on a 1 to 1 basis. In this case, the payment at maturity will be less than 75% of the stated principal amount and could be zero.

§ The potential contingent repayment of principal represented by the downside threshold level applies only at maturity. If the securities are not redeemed, you should be willing to hold the securities until maturity. Additionally, if the securities are not redeemed, at maturity, you will receive the stated principal amount only if the final index level of each underlying index is greater than or equal to its downside threshold level. If you are able to sell the securities prior to maturity, you may have to sell them for a loss relative to the principal amount, even if the level of each underlying index is at or above its downside threshold level.

§ You will not receive any contingent quarterly payment for any observation period where the closing level of any underlying index on any scheduled trading day during that period is less than its coupon threshold level. A contingent quarterly payment will be made with respect to an observation period only if the closing level of each underlying index on every scheduled trading day during the relevant observation period is greater than or equal to its coupon threshold level. It is possible that the closing level of one or more underlying indices could be below its respective coupon threshold level on at least one scheduled trading day during most or all of the observation periods, so that you will few or no contingent quarterly payments. If the closing level of any underlying index on any scheduled trading day during an observation period is below its coupon threshold level, you will not receive any contingent quarterly payments for the related observation period, even if the closing level of that underlying index was at or above its coupon threshold level on most or all of the other trading days during that observation period and even if the closing levels of the other underlying indices were at or above their respective coupon threshold levels on each scheduled trading day during that observation period.

§ Your return on the securities may be lower than the return on a conventional debt security of comparable maturity. The return that you will receive on the securities, which could be negative, may be less than the return you could earn on other investments. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money, such as inflation.

§ Investors will not participate in any appreciation in the level of any underlying index. Investors will not participate in any appreciation in the level of any underlying index from its initial index level, and the return on the securities will be limited to the contingent quarterly payments, if any, that are payable. The payment at maturity will not exceed the principal amount plus the final contingent quarterly payment, if it is payable. It is possible that the closing level of one or more of the underlying indices could be below the applicable coupon threshold level on at least one scheduled trading day during most or all of the observation periods so that you will receive few or no contingent quarterly payments. If you do not earn sufficient contingent quarterly payments over the term of the securities, the overall return on the securities may be less than the amount that would be paid on one of our conventional debt securities of comparable maturity.

Contingent Income Issuer Callable Securities due September 19, 2019
Based on the Worst Performing of S&P 500® Index, the Russell 2000® Index and the EURO STOXX 50® Index

§ The early redemption feature may limit the term of your investment to approximately three months. If the securities are redeemed early, you may not be able to reinvest at comparable terms or returns. The term of your investment in the securities may be limited to as short as approximately three months by the early redemption feature. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly payments and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns. It is more likely that we will redeem the securities when it would be advantageous for you to continue to hold the securities. As such, we will be more likely to redeem the securities when the closing level of each underlying index is at or above its coupon threshold level, which would otherwise potentially result in an amount of interest payable on the securities that is greater than instruments of a comparable maturity and credit rating trading in the market. In other words, we will be more likely to redeem the securities at a time when the securities are paying an above-market coupon. If the securities are redeemed prior to maturity, you will receive no more contingent quarterly payments, may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns. On the other hand, we will be less likely to exercise our redemption right when the closing level of any underlying index is below its coupon threshold level and/or when the final index level for any underlying index is expected to be below its downside threshold level, such that you will receive no contingent quarterly payments and/or that you will suffer a significant loss on your investment in the securities at maturity. Therefore, if we do not exercise our redemption right, it is more likely that you will receive few or no contingent quarterly payments and suffer a significant loss at maturity.

§ You are exposed to the market risk of all underlying indices, with respect to both the contingent quarterly payments, if any, and the payment at maturity, if any. Your return on the securities is not linked to a basket consisting of the underlying indices. Rather, it will be contingent upon the independent performance of each underlying index. Unlike an instrument with a return linked to a basket of underlying assets, in which risk is potentially mitigated and diversified among all the components of the basket, you will be exposed to the risks related to each of the underlying indices. Poor performance by any underlying index over the term of the securities may negatively affect your return and will not be offset or mitigated by any positive performance by the other underlying indices. To receive any contingent quarterly payments, all underlying indices must close at or above their respective coupon threshold levels on each trading day during the applicable observation period. In addition, if any underlying index has decreased to below its respective downside threshold level as of the final valuation date, you will be fully exposed to the decrease in the worst performing underlying index on a 1 to 1 basis, even if the other underlying indices have appreciated. Under this scenario, the payment at maturity will be less than 75% of the stated principal amount and could be zero. Accordingly, your investment is subject to the market risk of each of the underlying indices.

§ Because the securities are linked to the performance of the worst performing underlying index, you are exposed to greater risks of receiving no contingent quarterly payments and sustaining a significant loss on your investment than if the securities were linked to just one underlying index. The risk that you will not receive any contingent quarterly payments, or that you will suffer a significant loss on your investment, is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one underlying index. With three underlying indices, it is more likely that one or more of the underlying indices will close below their respective coupon threshold levels on any scheduled trading day during any observation period or the final valuation date than if the securities were linked to only one underlying index. Therefore, it is more likely that you will not receive any contingent quarterly payments, and that you will suffer a significant loss on your investment.

§ The market price will be influenced by many unpredictable factors. Several factors will influence the value of the securities in the secondary market and the price at which RBCCM may be willing to purchase or sell the securities in the secondary market. Although we expect that generally the closing levels of the underlying indices on any day may affect the value of the securities more than any other single factor, other factors that may influence the value of the securities include:

o the volatility (frequency and magnitude of changes in the level) of the underlying indices;

o whether the closing level of any underlying index has been below its coupon threshold level on any scheduled trading day during any observation period;

o dividend rates on the securities included in the underlying indices;

Contingent Income Issuer Callable Securities due September 19, 2019
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- o interest and yield rates in the market;
- o the time remaining until the securities mature;
- o geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying indices and their levels;
- o the composition of the underlying indices and changes in their constituent stocks; and
- o any actual or anticipated changes in our credit ratings or credit spreads.

The levels of the underlying indices may be, and has recently been, volatile, and we can give you no assurance that the volatility will lessen. See "The Underlying Indices" below. You may receive less, and possibly significantly less, than the stated principal amount per security if you try to sell your securities prior to maturity.

§ The securities are subject to our credit risk, and any actual or anticipated changes to its credit ratings or credit spreads may adversely affect the market value of the securities. You are dependent on our ability to pay all amounts due on the securities on each contingent payment date or at maturity, and therefore you are subject to our credit risk. If we default on our obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market's view of our creditworthiness. Any actual or anticip"PADDING-BOTTOM: 2px">

	TOTAL LIABILITIES		5,775,485	5,629,530
Commitments and Contingencies		- 0 -	- 0 -	
Stockholders' Equity (Deficit)				
Preferred stock, $0.001 par value, 10,000,000				
shares authorized, noncumulative, nonvoting,				
nonconvertible, none issued or outstanding		- 0 -	- 0 -	
Common stock, $0.001 par value, 120,000,000				

shares authorized, 72,560,373 and 69,704,393		
shares issued and outstanding at March 31,		
2011 and December 31, 2010, respectively	72,560	69,704
Additional paid-in capital	32,570,551	29,860,040
Accumulated deficit prior to the exploration stage	(20,009,496)	(20,009,496)
Accumulated deficit during the exploration stage	(13,229,939)	(11,533,915)
Total Applied Minerals, Inc.		
stockholders' equity (deficit)	(596,324)	(1,613,667)
Non-controlling interest	52,330	52,321
Total Stockholders' Equity (Deficit)	(543,994)	(1,561,346)
TOTAL LIABILITIES AND		
STOCKHOLDERS' EQUITY (DEFICIT)	$5,231,491	$4,068,184

The accompanying condensed notes are an integral part of these financial statements.

4

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended March 31, 2011	For the three months ended March 31, 2010	For the Period January 1, 2009 (Beginning of Exploration Stage) through March 31, 2011
REVENUES	$44,468	$- 0 -	$44,468
COST OF SALES	(21,075)	- 0 -	(21,075)
Gross Profit	23,393	- 0 -	23,393
OPERATING (INCOME) EXPENSES:			
Exploration costs	670,854	529,213	4,277,809
General and administrative	907,651	650,181	8,081,912
(Gain) loss from disposition of land and equipment	(1,000)	- 0 -	(4,523)
Loss on impairment of equipment	- 0 -	- 0 -	55,122
Total Operating Expenses	1,577,505	1,179,394	12,410,320
Net Operating Loss	(1,554,112)	(1,179,394)	(12,386,927)
OTHER INCOME (EXPENSE):			
Interest income	222	231	1,627
Interest expense	(132,146)	(59,538)	(690,747)
Sale of clay samples	- 0 -	- 0 -	10,943
Refund of insurance premium	2,531	- 0 -	22,687
Gain on stock award forfeiture	- 0 -	145,000	145,000
Gain (loss) on revaluation of stock awards	(1,000)	(17,000)	(173,500)
Net proceeds (expenses) from legal settlement	- 0 -	28,548	(173,325)
Amortization of convertible debt discount	(4,592)	(2,194)	(372,994)
Other income (expense)	(6,041)	- 0 -	(4,427)
Total Other Income (Expense)	(141,026)	95,047	(901,234)
Loss from exploration stage, before income taxes	(1,695,138)	(1,084,347)	(13,288,161)
Provision (benefit) for income taxes	- 0 -	- 0 -	- 0 -
Net Loss from Exploration Stage			
Before Discontinued Operations	(1,695,138)	(1,084,347)	(13,288,161)
Net income (loss) from discontinued operations	(910)	238,382	58,244

Net loss from exploration stage after discontinued operations	(1,696,048)	(845,965)	(13,229,917)
Net income (loss) attributable to the non-controlling interest	24	40	(22)
Net Loss Attributable to Applied Minerals, Inc.	$(1,696,024)	$(845,925)	$(13,229,939)

The accompanying condensed notes are an integral part of these financial statements.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Continued)

	For the three months ended March 31, 2011	2010
Earnings Per Share Information (Basic and Diluted):		
Net loss per share before discontinued operations attributable to Applied Minerals, Inc. common shareholders	$(0.03)	$(0.01)
Discontinued operations attributable to Applied Minerals, Inc. common shareholders	- 0 -	- 0 -
Net Loss Per Share Attributable to Applied Minerals, Inc. common shareholders	$(0.03)	$(0.01)
Weighted Average Shares Outstanding (basic and diluted)	67,497,094	68,826,593

The accompanying condensed notes are an integral part of these consolidated financial statements.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended March 31, 2011	For the three months ended March 31, 2010	For the Period January 1, 2009 (Beginning of Exploration Stage) through March 31, 2011
Cash flows from operating activities:			
Net loss	$(1,696,024)	$(845,925)	$(12,878,041)
Adjustments to reconcile net loss to			
net cash used in operations:			
Depreciation	66,239	33,594	352,831
Amortization of discount – PIK Notes	4,592	2,194	375,187
Issuance of PIK Notes in payment of interest	- 0 -	3,114	520,986
Stock issued for director and consulting services	32,388	10,000	114,717
Stock issued for cashless warrant	1,950	- 0 -	1,950
Fair value of warrants and options			
issued to consultants and directors	429,029	57,550	813,034
Loss on revaluation of stock awards	1,000	17,000	173,500
Gain on stock award forfeiture	- 0 -	(145,000)	(145,000)
Gain on disposition of assets	(1,000)	- 0 -	(4,523)
Loss on impairment of assets	- 0 -	- 0 -	62,019
Change in operating assets and liabilities:			
(Increase) Decrease in:			
Accounts receivable	17,075	- 0 -	(44,156)
Mining supplies inventory	325		(3,178)
Deposits and prepaids	(15,847)	27,257	87,721
Increase (Decrease) in:			
Accounts payable and accrued expenses	247,460	246,639	418,641
Net cash used by discontinued operations	1,359	1,906	606,050
Net cash used by operating activities	(911,454)	(591,671)	(9,548,262)
Cash flows from investing activities:			
Purchases of land improvements	- 0 -	- 0 -	(72,923)
Purchases of equipment and vehicles	(74,979)	(52,514)	(257,663)
Proceeds from sale of assets	1,000	100,000	151,000
Net cash provided by discontinued operations	- 0 -	- 0 -	434,670
Net cash provided by investing activities	(73,979)	47,486	255,084
Cash flows from financing activities:			

Payments on notes payable	(62,597)	(32,305)	(375,218)
Payments on leases payable	(45,850)	(3,637)	(298,843)
Proceeds from insurance settlement	- 0 -	- 0 -	115,000
Proceeds from notes payable	- 0 -	- 0 -	124,129
Proceeds from PIK notes payable	- 0 -	- 0 -	9,600,000
Proceeds from sale of common stock	2,250,000	- 0 -	2,250,000
Payments for legal settlement	- 0 -	(170,000)	(170,000)
Net cash used by discontinued operations	- 0 -	(2,310)	(56,431)
Net cash provided (used) by financing activities	2,141,553	(208,252)	11,188,637
Net increase (decrease) in cash	1,156,120	(752,437)	1,895,459
Cash and cash equivalents at beginning of period	1,642,340	1,584,866	903,001
Cash and cash equivalents at end of period	$2,798,460	$832,429	$2,798,460

The accompanying condensed notes are an integral part of these consolidated financial statements.

7

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Continued)

	For the three months ended March 31,		For the Period January 1, 2009 (Beginning of Exploration Stage) through March 31,
	2011	2010	2011
Cash Paid For:			
Interest	$15,054	$8,844	$43,534
Income Taxes	$160	$- 0 -	$710
Supplemental Disclosure of Non-Cash			
Investing and Financing Activities:			
Conversion of debt and			
accrued interest to common stock	$- 0 -	$210,614	$6,553,421
Equipment financed on lease	$- 0 -	$- 0 -	$197,000

The accompanying condensed notes are an integral part of these consolidated financial statements.

8

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 1 – BASIS OF PRESENTATION AND GOING CONCERN

The interim financial statements as of March 31, 2011, and for the periods ended March 31, 2011 and 2010, and cumulative from inception of the exploration stage through March 31, 2011, are unaudited. However, in the opinion of management, the interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to present the Company's financial position as of March 31, 2011 and the results of its operations and its cash flows for the periods ended March 31, 2011 and 2010, and cumulative from inception of the exploration stage through March 31, 2011. These results are not necessarily indicative of the results expected for the year ending December 31, 2011. The accompanying financial statements and condensed notes thereto do not reflect all disclosures required under accounting principles generally accepted in the United States of America. Refer to the Company's audited financial statements as of December 31, 2010, filed with the Securities and Exchange Commission ("SEC") for additional information, including significant accounting policies.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Applied Minerals, Inc. ("The Company") has incurred material recurring losses from operations. At March 31, 2011, the Company had aggregate accumulated deficits prior to and during the exploration stage of $33,239,435, in addition to limited cash and unprofitable operations. For the period ended March 31, 2011 and 2010, the Company sustained net losses before discontinued operations of $1,343,240 and $1,084,299, respectively. These factors indicate that the Company may be unable to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts or the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is contingent upon its ability to obtain generate revenue and cash flow to meet its obligations on a timely basis and/or management's ability to raise financing through the sale of equity and/or the disposition of certain non-core assets. If successful, this will mitigate the factors that raise substantial doubt about the Company's ability to continue as a going concern.

Operating results for the three months period ended March 31, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. The consolidated financial information as of December 31, 2010 included herein has been derived from the Company's audited consolidated financial statements as of, and for the fiscal year ended December 31, 2010.

NOTE 2 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Applied Minerals, Inc., ("the Company") owns the Atlas Mine, a consolidation of several patented mining claims located in the Coeur d'Alene Mining District near Mullan, Idaho, and the Dragon Mine, a halloysite clay property located in Juab County, Utah. The Company is currently focused on the commercialization of the Dragon Mine property while actively seeking to dispose of the idle Atlas Mine property.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed, consolidated financial statements represent the consolidation of the Company and all companies that the Company directly controls either through majority ownership or otherwise.

Accounting Method and Use of Estimates

The Company's financial statements are prepared using the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements in revenues and expenses during the reporting period. In these financial statements, assets and liabilities involve extensive reliance on management's estimates. Actual results could differ from those estimates.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Convertible Debt
If the conversion feature of conventional convertible debt provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature (“BCF”). A BCF is recorded by the Company as a debt discount. In those circumstances, the convertible debt will be recorded net of the discount related to the BCF. The Company amortizes the discount to amortization of convertible debt expense over the life of the debt using the straight-line amortization method (See Note 6).

Fair Value
The fair value of the Company’s financial instruments reflects the amounts that the Company estimates to receive in connection with the sale of an asset or paid in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). For financial assets and liabilities that are periodically re-measured to fair value, the Company discloses a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into the following three levels:

- Level 1 – quoted prices in active markets for identical assets and liabilities.

- Level 2 – observable inputs other than quoted prices in active markets for identical assets and liabilities.

- Level 3 – unobservable inputs.

The recorded value of certain financial assets and liabilities, which consist primarily of cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued expenses, approximate the fair value of the respective assets and liabilities at March 31, 2011 and December 31, 2010 based upon the short-term nature of the assets and liabilities. Based on borrowing rates currently available to the Company for loans with similar terms, the carrying value of short and long-term notes payable approximate fair value.

Legal Costs
In the normal course of business, the Company will incur costs to engage and retain external legal counsel to advise management on regulatory, litigation and other matters. Such legal costs are expensed as the related services are received.

Mining Exploration and Development Costs
Land and mining property acquisitions are carried at cost. The Company expenses prospecting and mining exploration costs. At the point when a property is determined to have proven and probable reserves, subsequent development costs are capitalized. Capitalized development costs will include acquisition costs and property development costs. When these properties are developed and operations commence, capitalized costs will be charged to operations using the units-of-production method over proven and probable reserves. Upon abandonment or sale of a mineral property, all capitalized costs relating to the specific property are written off in the period abandoned or sold and a gain or loss is recognized.

At March 31, 2011 and 2010, all costs associated with the Company's mine have been expensed.

Subsequent Events

The Company evaluates events that occur subsequent to the balance sheet date of periodic reports, but before financial statements are issued for periods ending on such balance sheet dates, for possible adjustment to such financial statements or other disclosure.

Recent Accounting Pronouncements

In January 2010, the FASB issued further guidance under ASC No. 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 requires disclosures about the transfers of investments between levels in the fair value hierarchy and disclosures relating to the reconciliation of fair value measurements using significant unobservable inputs (level 3 investments). ASC 820 is effective for the fiscal years and interim periods beginning after December 15, 2010. The Company adopted the update on January 1, 2011. The pronouncement did not have a material impact on the Company's consolidated financial statements.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 4 – DISCONTINUED OPERATIONS

The Company permanently discontinued its contract mining operations. There are no plans to resume the contract mining business.

The Company has identified assets attributed to the discontinued operation that are being held for sale or have been identified as part of the discontinued operation and have been identified as such. Assets at March 31, 2010 and December 31, 2010 attributed to the discontinued operation are as follows:

	March 31, 2011	December 31, 2010
Property and equipment	$450,042	$450,042
Total assets from discontinued operations	$450,042	$450,042

Liabilities at March 31, 2011 and December 31, 2010 attributed to the discontinued operations are as follows:

	March 31, 2011	December 31, 2010
Accounts payable and accrued liabilities	$2,502	$1,152
Total liabilities from discontinued operations	$2,502	$1,152

During the three months ended March 31, 2011, the Company received payment in settlement of one previously recorded bad debt from discontinued operations. Income (loss) after discontinued operations for the three months ended March 31, 2011 and 2010, and cumulative from inception of the exploration stage through March 31, 2011 was calculated as follows:

	For the three months ended March 31,	
	2011	2010
Revenues from discontinued operations	$- 0 -	$- 0 -
Cost of goods sold	- 0 -	- 0 -
General and administrative expenses	(910)	(7,125)
Collection of previously recorded bad debt	- 0 -	245,507
Loss on disposal of assets	- 0 -	- 0 -
Loss on impairment of assets	- 0 -	- 0 -
Income (loss) from discontinued operations	(910)	238,382

Income tax liability	- 0 -	- 0 -
Net income (loss) from discontinued operations	$(910)	$238,382

The Company does not believe there is an effect of income taxes on discontinued operations. Due to ongoing operating losses, the uncertainty of future profitability and limitations on the utilization of net operating loss carryforwards under IRC Section 382, a valuation allowance has been recorded to fully offset the Company's deferred tax asset.

NOTE 5 – STOCK AWARD PAYABLE

In 2007, the Company agreed to grant 150,000 shares of vested common stock to an Executive Vice President as part of his employment agreement. These shares were not issued prior to the employee's resignation and are recorded as a liability on the balance sheet entitled stock awards payable. The Company reviews the value of the stock award payable and adjusts the carrying value to the market based on the closing price of the Company's common stock on the last day of the quarter. Any adjustment made to the carrying value of the stock award is recorded as a gain or loss on revaluation of stock awards.

For the three months ended March 31, 2011, the Company realized a loss on the revaluation of the remaining stock award totaling $1,000. The value of the outstanding stock awards at March 31, 2011 and December 31, 2010 were $81,000 and $80,000, respectively. The Company does not intend to ever issue these shares and will expects to treat the liability appropriately.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 6 – CONVERTIBLE DEBT (PIK NOTES)

Between December 31, 2008 and October 2010, the Company sold several 10% Convertible Notes due December 15, 2018. The notes convert into common stock in the range of $0.35 to $1.00 per share. The notes pay interest at the rate of 10% per annum payable (including by issuance of additional in-kind notes) semi-annually in arrears on June 15th and December 15th of each year. The notes include terms whereby interest payable may be paid in either cash or by converting the interest owed the note holder into additional PIK Notes. If the interest payment is converted into PIK Notes, the terms of the notes emulate the originally issued PIK Notes.

Conversion Feature
All notes described above may be converted at the option of the note holder at any time there is sufficient authorized unissued common stock of the Company available for conversion. The PIK Notes, except those issued in May and October 2010, may be converted, at the option of the Company, when the average closing bid price or market price of the Company's common stock for the preceding five (5) days is above the conversion price. The Notes issued in May and October 2010 cannot be converted by the Company for one year from the date of issuance

During the three months ended March 31, 2010, a PIK Note representing principal and accrued interest of $210,614 was converted by the Company into 324,193 shares of the Company's common stock.

Amortizable Discount
In connection with the convertible debt issued during 2010, the Company recorded a discount on debt related to the financing costs paid to a third party in the amount of $150,000 which is being amortized over the term of the debt. The Company amortizes the debt discount, straight-line over the life of the debt. In the event of conversion before note maturity, any remaining amortizable discount is immediately expensed. During the three months ended March 31, 2011, total expense related to amortizable discount was $4,592. As of March 31, 2011 and December 31, 2010, there was $142,347 and $146,939, respectively of amortizable discount remaining on Convertible PIK Notes.

Mandatory Conversion

In February 2010, the Company mandatorily converted the July 2009 convertible debt and unpaid interest. Upon conversion, $2,194 of amortizable discount was amortized, and 324,193 shares of the Company's common stock were issued for the conversion of the notes. In July 2010, the Company mandatorily converted the October 2009 convertible debt and unpaid interest. Upon conversion, 2,133,307 shares of the Company's common stock were issued for the conversion of the notes. During the three months ended March 31, 2011 and 2010, the Company recorded $117,093 and $50,500, respectively, in interest expense associated with the convertible notes.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 7 – STOCKHOLDERS' EQUITY

Preferred Stock
The Company is authorized to issue 10,000,000 shares of noncumulative, non-voting, nonconvertible preferred stock, $0.001 par value per share. At March 31, 2011 and December 31, 2010, no shares of preferred stock were outstanding.

Common Stock
The Company is authorized to issue 120,000,000 shares of common stock, $0.001 par value per share. At March 31, 2011 and December 31, 2010, 72,560,373 and 69,704,393 shares were issued and outstanding, respectively.

During the three months ended March 31, 2011, the Company issued a total of 37,910 shares of restricted, common stock to directors and consultants as payment of fees. The value of such was recorded at $32,388. During the three months ended March 31, 2011, a warrant holder exercised 10,000 warrants on a cashless basis and received 5,570 shares of the Company's common stock. The warrants were issued to the holder as payment for consulting services. Also during the three months ended March 31, 2011, the Company sold a total of 2,812,500 shares of common stock at $1.25, collecting a total of $2,250,000. A portion of these shares were purchased by a related party (See Note 10).

Pursuant to the disclosure requirements set forth under GAAP, the following schedule presents a reconciliation of the beginning and ending balances of the equity attributable to the Company and the non-controlling owners, and the effect of the changes in the equity attributable to the Company.

Non-controlling Interest
The Company applied non-controlling interest accounting for the period ended March 31, 2011, which requires it to clearly identify the non-controlling interest in the balance sheets and statements of operations. The Company discloses three measures of net income (loss): net income (loss) from discontinued operations, net income (loss) from exploration stage, and net income (loss) attributable to non-controlling interest. The operating cash flows in the consolidated statements of cash flows reflect net loss.

Non-Controlling Interest	
Beginning balance, December 31, 2010	$52,321
Net (loss) income attributable to non-controlling interest	24
Ending balance, March 31, 2011	$52,345

NOTE 8 – OPTIONS AND WARRANTS TO PURCHASE COMMON STOCK

Outstanding Stock Warrants
A summary of the status and changes of the warrants are as follows:

	March 31, 2011	
	Shares	Weighted Average

		Exercise Price
Outstanding at December 31, 2010	580,187	$0.84
Issued	337,883	$0.79
Exercised	(10,000)	$(0.35)
Forfeited	- 0 -	- 0 -
Expired	- 0 -	- 0 -
Outstanding at March 31, 2011	908,070	$0.83
Exercisable at March 31, 2011	908,770	

During the three months ended March 31, 2011, the Company granted 337,883 warrants to purchase the Company's common stock with an average exercise price of $0.79. Of the 337,883 warrants granted, 337,883 vested during the three months ended March 31, 2011. The intrinsic value of the outstanding warrants at March 31, 2011 was $0.

A summary of the status of the warrants outstanding at March 31, 2011 is presented below:

Warrants Outstanding				Warrants Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.35	90,000	4.00 years	$0.35	90,000	$0.35
$0.78	213,402	4.83 years	$0.78	213,402	$0.78
$0.80	264,668	4.75 years	$0.80	264,668	$0.80
$1.00	340,000	4.50 years	$1.00	340,000	$1.00
	908,070			908,070	

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 8 – OPTIONS AND WARRANTS TO PURCHASE COMMON STOCK (CONTINUED)

Compensation expense of $196,454 has been recognized for warrants to non-related parties in the accompanying statements of operations for the period ended March 31, 2011.

Outstanding Stock Options

The Company is authorized to issue stock options under the existing stock option plan approved by stockholders.

The fair value of each of the Company's stock option awards is estimated on the date of grant using a Black-Scholes option-pricing model that uses the assumptions noted in the table below. Expected volatility is based on an average of historical volatility of the Company's common stock. The risk-free interest rate for periods within the contractual life of the stock option award is based on the yield curve of a zero-coupon U.S. Treasury bond on the date the award is granted with a maturity equal to the expected term of the award. The Company uses historical data to estimate forfeitures within its valuation model.

The expected term of awards granted is derived from historical experience under the Company's stock-based compensation plans and represents the period of time that awards granted are expected to be outstanding.

The significant assumptions relating to the valuation of the Company's options for the quarter ended March 31, 2011 and 2010 were as follows:

	2011	2010
Dividend Yield	0%	0%
Expected Life	5-10 years	1.5 years
Expected Volatility	101-105%	120%
Risk-Free Interest Rate	2.02-3.75%	0.4%

A summary of the status and changes of the options granted under stock option plans and other agreements for the period ended March 31, 2011 is as follows:

	March 31, 2011	
	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2010	7,593,277	$0.70
Granted	3,205,134	$0.83
Exercised	- 0 -	- 0 -
Forfeited	- 0 -	- 0 -
Expired	- 0 -	- 0 -
Outstanding at March 31, 2011	10,798,411	$0.71

Exercisable at March 31, 2011	5,992,577

During the three months ended March 31, 2011, the Company issued 3,205,134 options to purchase the Company's common stock with an average exercise price of $0.83. Of the 3,205,134 options granted, 300,481 options will vest in four equal tranches, quarterly, and vesting began March 1, 2011. The remaining 2,904,653 options granted will begin vesting January 1, 2012, and shall vest equally over twelve months.

A summary of the status of the options outstanding at March 31, 2011 is presented below:

	Options Outstanding			Options Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.65-$0.71	75,000	3.25 years	$0.69	75,000	$0.69
$0.70	7,358,277	8.50 years	$0.70	5,712,457	$0.70
$0.83	3,205,134	5.00 years	$0.83	75,120	$0.83
$0.90	100,000	4.50 years	$0.90	100,000	$0.90
$1.00	60,000	5.25 years	$1.00	30,000	$1.00
	10,798,411			5,992,577	

At March 31, 2011, the total compensation of $367,818 for unvested shares is to be recognized over the next 1.75 years on a weighted average basis.

Compensation expense of $232,574 and $57,550 has been recognized for vesting of options to employees, directors, related parties, and non-related parties in the accompanying statements of operations for the periods ended March 31, 2011 and 2010, respectively. The intrinsic value of the outstanding warrants at March 31, 2011 was $1,079,841.

APPLIED MINERALS, INC. AND SUBSIDIARY
(An Exploration Stage Mining Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2011 and 2010

NOTE 9 – COMMITMENTS AND CONTINGENCIES

COMMITMENTS

Material Advisors
On December 30, 2008, the Company entered into a Management Agreement with Material Advisors LLC, a management services company ("Manager"). The Management Agreement has a term ending on December 31, 2010 with automatic renewal for successive one-year periods unless either Manager or Company provides 90 days prior notice of cancellation to the other party or pursuant to the termination provisions of the Management Agreement. Under the Management Agreement Manager will perform or engage others, including Andre Zeitoun, a principal of Manager, Chris Carney and Eric Basroon ("Management Personnel"), to perform senior management services including such services as are customarily provided by a chief executive officer but not (unless otherwise agreed) services customarily provided by a chief financial officer. Pursuant to the Management Agreement, Andre Zeitoun will serve as Company's Chief Executive Officer and will be appointed as a member of the Company's Board of Directors.

The services provided by Manager will include, without limitation, consulting with the Board of Directors of the Company and the Company's management on business and financial matters. Manager will be paid an annual fee of $1,000,000 per year, payable in equal monthly installments of $83,333. Manager will be solely responsible for the compensation of the Management Personnel, including Mr. Zeitoun and the Management Personnel will not be entitled to any direct compensation or benefits from the Company (including, in the case of Mr. Zeitoun, for service on the Board). The Company granted Manager non-qualified stock options to purchase, for $0.70 per share, up to 6,583,277 shares of the Company's common stock.

On February 8, 2011, the Company's Board of Directors extended the management agreement between the Company and Materials Advisors for an additional year. The extension continues Material Advisor's services through December 31, 2012. The extension included the option to purchase 2,904,653 shares of the Company's common stock at an exercise price of $0.83. The vesting of such options will begin January 1, 2012 and will vest equally over the twelve-month period ending December 1, 2012.

NOTE 10 – RELATED PARTIES

The Company is a related party to IBS Capital ("IBS"), an entity whose principal, David Taft, is a Company director. During the three months ended March 31, 2011, IBS purchased 2,500,000 shares of the Company's common stock for $1.25 per share, for a total of $2,000,000. In addition, IBS received $10,000 cash for director fees associated with Mr. Taft's participation on the Company's board of directors. During the year ended December 31, 2010, the Company received $1,500,000 from IBS in exchange for convertible debt. In addition, the Company issued 349,287 shares of the Company's common stock to IBS as part of a forbearance agreement related to the class action lawsuit as described below.

The Company is a related party to Material Advisors ("MA"), an entity with which the Company has a management agreement for executive guidance. The agreement has a term beginning on December 30, 2008 and ending on December 30, 2012 and calls for monthly management fees of $83,333 to be paid for services. In addition to management fees, MA was granted stock options equivalent to 6,583,278 shares of common stock. Such options vest equally over the life of the management agreement and may be exercised at a strike price of $0.70 per share. Also during the year ended December 31, 2009, the Company received $40,000 from MA in exchange for convertible debt. All debt and accrued interest has been converted to 107,347 shares of the Company's common stock. On February 8, 2011, the Company's Board of Directors extended the management agreement between the Company and Materials Advisors for an additional year. The extension continues Material Advisor's services through December 31, 2012. The extension included the option to purchase 2,904,653 shares of the Company's common stock at an exercise price of $0.83. The vesting of such options will begin January 1, 2012 and will vest equally over the twelve-month period ending December 1, 2012.

NOTE 11 – SUBSEQUENT EVENTS

On April 18, 2011, the Company sold a total of 150,000 shares of common stock at $0.90 per share to one purchaser in a transaction that was exempt from registration under section 4(2) of the Securities Act of 1933. The sale price of $0.90 per share was based on the closing price of the common stock of the Company on April 15, 2011. The Company did not use a broker and paid no commission as part of the transaction. This sale of common stock of the Company was unsolicited.

On April 28, 2011, the Company engaged Dahlman Rose and Company, LLC ("Dahlman Rose"), a full-service investment banking firm and registered broker-dealer, to advise the Company on financial and corporate development options. As part of the engagement, the Company issued to Dahlman Rose 461,340 warrants to purchase shares of common stock of Applied Minerals, Inc. The warrants have an exercise price of $1.15 per share, a term of 10 years and vest quarterly over a 12-month period commencing on the date of issuance.

NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-QSB contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on our current expectations, assumptions, estimates and projections about our business and our industry. Words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may," and other similar expressions identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Applied Minerals, Inc. (“the Company”) was originally formed for the purpose of exploring and developing the Atlas Mine, a consolidation of several patented mining claims located in the Coeur d’Alene Mining District near Mullan, Idaho. During 1980 the Company became inactive as a result of a decline in silver prices. In September 1997, the Company became active again through the establishment of a contract mining business, which was the Company’s sole source of revenue until it was discontinued in December 2008 due to adverse economic changes in the mining industry. In 2001 we leased and then, in 2005, acquired the Dragon Mine, a halloysite clay property located in the Tintic Distric of Utah, for the purpose of marketing the unique chemical and morphological characteristics of the clay to a number of advanced application markets.

Property Exploration

The Dragon Mine, to our knowledge, is the only source of halloysite clay in the Western Hemisphere large enough, and of high enough purity, to supply commercial-sized application demand. The property is located in the Tintic District of Utah, covering 230 acres of fully owned land with mining permits for extraction of minerals. Formation is attributed to the alteration of fine clay sediments that accumulated on what was then a shallow sea floor over 600 million years ago. From 1949 through 1976, Filtrol Corporation operated the Dragon Mine on a contracted basis for the property’s owner at the time, a subsidiary of Anaconda Mining Company. According to certain mining-related records, Filtrol mined approximately 1.35 million tons of clay from the Dragon Mine for use as an input of a petroleum-cracking catalyst product. The mine was idle from 1977 until it was leased by the Company in 2001. The property was ultimately purchased by the Company in 2005. The current management of the Company hired geologist Dr. Ian Wilson who has supervised our extensive drilling program and continues to explore underground areas of the Dragon property including, but not limited to, two mines developed by prior operators as well as one area that had previously remained unexplored. As of the date of this report, an above-ground area covering approximately 11.5 of the Dragon Mine’s 230 acres have been explored. The extraction of material from certain targeted areas of this resource is in progress. The Company applied for and was granted a large mining permit in early 2011 for which it will be required to post a reclamation surety bond. The Company expects to post the required surety bond in May 2011.

The Dragon Mine property also contains five waste piles comprised of material, which can be processed to create a range of halloysite products of different grades of purity. The piles are the result of prior mining operations that took place between 1949 and 1976. The clay mined during that period was used in a petroleum-cracking catalyst application. For that application the clay mined had to contain no more than 2% of an iron oxide impurity. Any clay, which exceeded such limit, was discarded into the piles. To date, Applied Minerals has characterized the chemistry and mineralogy of the surface piles and has developed a processing system to convert them into purified halloysite products. The Company has identified a number of application areas to which it is marketing its waste pile material.

In addition to the presence of halloysite, the Dragon Mine also possesses quantities of other clays, such as, kaolinite, illite, smectite as well as iron oxide ores in the form of hematite, goethite and ferrihydrite, and manganese, some of which we are in the process of commercializing. The Dragon Mine is present at the contact between the Silver City quartz monzonite stock and limestone and dolomite of the Paleozoic formation. Gold and siliver is found in veinlets in pervasively altered rocks of the Silver City stock immediately south of the Dragon mine and were one of the first discoveries made in the Tintic district in 1869. The Dragon Mine was mined as a copper-gold deposit not long after these initial findings. The mine's fissure fault system forms the southern extremity of the Iron Blossom ore run. Within five kilometers of the Dragon Mine, exploration is being carried out by at least one major mining company to determine the possibility of the existence of a large copper-gold porphyry. Testing of surface rock samples in the vicinity of the Dragon Mine carried out in the past show anomalous copper values with gold values exceeding one ounce per ton and silver values of approximately five ounces per ton. Records indicate that, during the 1870's, mining activity at the Dragon Mine had been focused on the iron ore presence at the mine. According to certain records kept by the former U.S. Bureau of Mines, the 305,000 tons of iron ore mined during the 1870's produced 18,000 ounces of gold and 928,000 ounces of silver.

The Company has spent significant resources on the exploration of its Dragon Mine property. The results of the extensive drilling program supervised by the Company's consulting geologist has identified what is believed to be a sufficient amount of clay material, both underground and on the surface of the property, to support a commercial operation. The clay mineral identified at the Dragon Mine has been classified by level of purity. The Company will not be able to refer to the mineral found in its Dragon Mine property as a "reserve" until it can demonstrate the deposit is economically viable. As the Company continues to sell its halloysite clay products into existing and developing markets, it will revisit the possibility of classifying its deposit as a reserve.

Commercial Applications of Halloysite

Halloysite is an aluminosilicate clay exhibiting a rare, naturally occurring hollow tubular structure. Halloysite tubes have a length in the range of 0.5 - 3.0 microns, an exterior diameter in the range of 50 - 70 nanometers and an internal diameter (lumen) in the range of 15 - 30 nanometers. The clay is non-toxic and natural, demonstrating high biocompatibility without posing any risk to the environment. It is chemically identical to commonly used kaolin clay ($Al_2Si_2O_5(OH)_4 \times nH_2O$) with one layer of water molecules existing between layers of alumina and silica. Formation of halloysite occurs when kaolin sheets roll into tubes due to the strain caused by a lattice mismatch between the adjacent silicone dioxide and aluminum oxide layers. This is a process that occurs over millions of years under extremely rare geological conditions.

16

The results of research carried out by the Company, academic institutions, and other third parties have determined that the unique morphological and chemical characteristics of the Dragon Mine's halloysite resource add functionality to applications such as, but not limited to, the controlled release of biological and chemical agents, polymer-related additives, fillers and fire retardants, paints and coatings, agricultural products, sorbents for environmental remediation, oil field drilling minerals, catalysts, filtration technologies, hydrogen storage for fuel cells and cosmetics.

To our knowledge, the only other large-scale, commercial source of halloysite clay is located in New Zealand. The New Zealand property, which is owned by Imerys, (Euronext: NK), has been historically focused on supplying its halloysite clay to the porcelain, fine china and other commodity-like markets. Our primary focus, however, is centered on marketing the Dragon Mine's halloysite clay to certain advanced application markets to which the material's unique morphological and chemical characteristics provides enhanced functionality, contributing to the development of a number of high-performance products within a range of industries. At the time of this report, we have sold our Dragon Mine clay to two customers who plan to utilize it in plastic applications. Additionally, we are at different stages of the halloysite commercialization process with at least one hundred potential customers. The Company currently markets its line of halloysite-based products under the Dragonite™ name.

Critical Accounting Policies

The following accounting policies have been identified by management as policies critical to the Company's financial reporting:

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. In these financial statements assets and liabilities involve extensive reliance on management's estimates. Actual results could differ from those estimates.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force ("EITF"), the American Institute of Certified Public Accountants ("AICPA"), and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

Impairment of Assets
Long-lived assets bare measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or discontinued operations. The Company records losses due to impairment of assets held in continuing operations, and losses on assets held for sale from impairment, which is included in net loss from discontinued operations.

Mining Exploration and Development Costs
Land and mining property acquisitions are carried at cost. We expense prospecting and mining exploration costs. At the point when a property is determined to have proven and probable reserves, subsequent development costs are capitalized as capitalized development costs. Capitalized development costs will include acquisition costs and property development costs. When these properties are developed and operations commence, capitalized costs will be charged to operations using the units-of-production method over proven and probable reserves. Upon abandonment or sale of a mineral property, all capitalized costs relating to the specific property are written off in the period abandoned or sold and a gain or loss is recognized. At March 31, 2011 and 2010, all costs associated with the Dragon Mine have been expensed.

Provision for Income Taxes

Income taxes are calculated based upon the liability method of accounting in accordance with the FASB ASC 750-10-60, “Income Taxes.” In accordance with FASB ASC 750-10-60, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard to allow for recognition of such an asset. In addition, realization of an uncertain income tax position must be estimated as “more likely than not” (i.e., greater than 50% likelihood of receiving a benefit) before it can be recognized in the financial statements. Further, the recognition of tax benefits recorded in the financial statements to be based on the amount most likely to be realized assuming a review by tax authorities having all relevant information.

Stock Options and Warrants

We have stock option plans that provide for stock-based employee compensation, including the granting of stock options, to certain key employees. The plans are more fully described in Note 9 to the financial statements.

Compensation expense is recorded for all share-based awards granted to either non-employees, or employees and directors on or after January 1, 2006. Accordingly, compensation expense has been recognized for vesting of options and warrants to consultants and directors in the accompanying statements of operations.

We account for the issuance of equity instruments (including options and warrants) to acquire goods and services based on the fair value of the goods and services or the fair value of the equity instrument at the time of issuance, whichever is more reliably measurable.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2011 Compared to Three Months Ended March 31, 2010

Revenue for the three months ended March 31, 2011 was $44,468 versus $0 for the same period in 2010. The increase was due to the sale of Dragonite ™ to two customers for use as a reinforcing additive in plastic applications.

Gross profit for the three months ended March 31, 2011 was $23,393 versus $0 for the comparable period in 2010. The increase was due to the recognition of revenue for the period in 2011.

Total operating expenses for the three months ending March 31, 2011were $1,225,607 compared to $1,179,394 for the same period ending 2010, an increase of $46,213, or 3.9%. The increase was due primarily to a $141,641, or 26.8%, increase exploration expense, partially offset by a $94,428 or 14.5% decrease, in general and administrative expense.

Exploration costs during the quarter were $670,854 versus $529,213, an increase of $141,641 over the comparable period in 2010. The majority of our exploration expenses during the quarter were related to the continued exploration activities at our Dragon Mine property and the mineralogical analysis of the material mined from the property. The 26.8% increase in exploration costs was related, primarily, to management's decision to expand its drilling and testing program to additional areas of the Dragon Mine property, testing of which has indicated the presence of saleable clay mineral. The primary drivers of the increase in exploration costs were a $99,200 increase in wage and wage-related expense, a $26,000 increase in explosive materials expense, a $25,500 increase in utility expense, a $72,500 increase in drilling supplies expense, and a $33,000 increase in depreciation expense, partially offset by a $59,100 decrease in geological consulting expense and a $49,000 decrease is shipping expense.

General and administrative expense for the three months ended March 31, 2011 was $907,651 versus $650,181 for the comparable period in 2010. The $257,470 increase was driven primarily by an approximate $350,000 increase in expense related to the issuance of warrants and options as compensation to certain employees, directors and consultants, a $15,000 increase in corporate-level wage expense and a $19,600 increase in stock-based compensation paid to certain consultants related to product development, partially offset by a $63,800 reduction in legal expenses related an effort on behalf of management to reduce its reliance on outside counsel with respect to certain matters, a $29,100 decline in accounting and auditing expense related to the absence of the preparation of a filing that had been required during the three months ended March 31, 2010, a $17,500 decline in shareholder-related expense, and a $12,000 decline in office-related expense.

Net loss before discontinued operations for the three-month period ending March 31, 2011 was $1,695,138 compared to $1,084,347 for the comparable period in 2010, an increase of $610,791 or 56.3%. The increase in loss in before discontinued operations was due primarily to a $141,600 increase in exploration expense (previously described), a $257,500 increase in general and administrative expense, a $72,600 increase in interest expense, a $145,000 decline in the gain attributable to the revaluation of certain stock awards, the elimination of $28,500 net proceeds from a legal settlement and an increase in other expense of 6,000, partially offset by the inclusion of $23,400 in gross profit and a decline in general and a $16,000 decline in the loss realized on the revaluation of certain stock awards.

Net loss from discontinued operations for the three months ended March 31, 2011 was $910 compared to a net income of $238,382 for the comparable period in 2010. The $239,292 decline in net income from discontinued operations was due primarily to the collection of $245,500 of receivables that had been previously written off in the 2010 period.

LIQUIDITY AND CAPITAL RESOURCES

Through March 31, 2011 our activities have been financed primarily the sale of equity securities and borrowings as needed. Our current asset and debt structure is explained below. During the three months ended March 31, 2011, we raised $2,250,000 of cash through the sale of common stock. We may need to raise additional capital in 2011, through both the sale of equity and the disposal of certain non-core assets, to successfully fund our operations. If we cannot raise sufficient capital through the sale of equity securities, the assumption of debt or the monetization of certain assets, our ability to fund our operations may be severely impaired and we may be unable to operate our business.

The Company has incurred material recurring losses from operations. At March 31, 2011, the Company had a total accumulated deficit of $33,239,435. For the three months ended March 31, 2011 and 2010, the Company sustained net losses before discontinued operations of $1,695,138 and $1,084,347, respectively. These factors indicate that the Company may be unable to continue as a going concern for a reasonable period of time. The Company's continuation as a going concern is contingent upon its ability to generate revenue and cash flow to meet its obligations on a timely basis and management's ability to raise financing and/or dispose of certain non-core assets as required. If successful, this will mitigate the factors that raise substantial doubt about the Company's ability to continue as a going concern.

Cash used by operating activities was $911,454 during the three months ended March 31, 2011 versus $591,671 for the comparable period in 2010. The $319,783 increase in cash used during the period was due primarily to an increase in the net loss realized during the three months ended March 31, 2011 of $850,100, a $26,000 increase in accounts receivable and prepaids, and a $16,000 decline in the add-back associated with a loss on the revaluation of stock awards, partially offset by a $371,400 increase in an add-back associated with the fair value of warrants and options issued to directors and consultants, a $32,000 increase in depreciation, a $22,000 in the add-back related to the issuance of common stock as compensation, and the absence of a reversal of $145,000 in gains on the disposition of assets.

Cash used by investing activities during the three months ended March 31, 2011 was $73,979 versus cash of $47,486 provided during the comparable period in 2010. During the three months ended March 31, 2011, the Company spent $74,979 on the purchase of equipment and vehicles related to the exploration of the Dragon Mine and generated $1,000 through the sale of non-core equipment and vehicles. During the comparable period in 2010, $100,000 was generated through the sale of assets related to our discontinued contract mining business and $52,514 was spent on the purchase of equipment and vehicles.

Cash generated through financing activities was $2,141,553 during the three months ended March 31, 2011 versus cash of $208,252 used by financing activities during the comparable period in 2010. The $2,349,805 increase in cash generated during the period was driven primarily through the sale of $2,250,000 worth of common stock to certain qualified investors.

At March 31, 2011, the Company had, as part of its long-term liabilities, $4,683,624 face value of 10% PIK-Election Convertible Notes due 2018.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements between the Company and any other entity that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to investors.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have no exposure to fluctuations in interest rates, foreign currencies, or other market factors.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

During the evaluation of disclosure controls and procedures as of March 31, 2011, management identified material weaknesses in internal control over financial reporting, which management considers an integral component of disclosure controls and procedures. The primary material weakness identified had to do with the timely recording of invoices. As a result of the material weakness identified, management concluded that Applied Minerals Inc.'s disclosure controls and procedures were ineffective.

Notwithstanding the existence of these material weaknesses, Applied Minerals, Inc. believes that the condensed consolidated financial statements in this quarterly report on Form 10-Q fairly present, in all material respects, Applied Minerals, Inc.'s financial condition as of March 31, 2011 and December 31, 2010, and results of its operations and cash flows for the period ended March 31, 2011 and 2010, in conformity with United States generally accepted accounting principles (GAAP).

(b) Changes in Internal Controls.

Management continues to both assess its internal controls and implement changes to strengthen them. The steps that have been, or will be, taken by the Company to improve its internal controls include, but are not limited to, the implementation of controls to ensure all invoices received by the New York and Utah locations are forwarded to the Idaho office in a timely manner.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In accordance with SFAS No. 5, Accounting for Contingencies, when applicable, we record accruals for contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. In addition to the matters described herein, we are involved in or subject to, or may become involved in or subject to, routine litigation, claims, disputes, proceedings and investigations in the ordinary course of business, which in our opinion will not have a material adverse effect on our financial condition, cash flows or results of operations. Currently, we have no lawsuits, claims, proceedings and investigations pending involving us.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the second quarter of 2011, we sold stock not registered under the Securities Act as listed below. Management at the time deemed such sales to be exempt under Section 4(2) of the Securities Act and indicated that all sales were made to accredited investors.

During the three months ended March 31, 2011, the Company issued 2,812,500 shares of its common stock in exchange for $2,250,000.

During the three months ended March 31, 2011, the Company issued 37,910 shares of its common stock for services valued at $29,433.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits.

The following exhibits are included in this report:

Exhibit Number	Description of Exhibits
31.1	Certification pursuant to Rule 13a-14 of the Securities Exchange Act, as adopted pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer
31.2	Certification pursuant to Rule 13a-14 of the Securities Exchange Act, as adopted pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer
32.1	

	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

APPLIED MINERALS, INC.

Dated: May 16, 2011	/s/ ANDRE ZEITOUN By: Andre Zeitoun Chief Executive Officer
Dated: May 16, 2011	/s/ CHRISTOPHER T. CARNEY By: Christopher T. Carney Interim Chief Financial Officer